

**FAC No. WMD-[text deleted]**

**PENALTY NOTICE**

Hecny Transportation (USA) Inc.  
c/o Jenny Shen  
Ocean Operations Manager  
147-39 175<sup>th</sup> Street, Room 188  
Jamaica, NY 11434

Dear Ms. Shen:

A Prepenalty Notice ("Notice") dated August 9, 2006, a copy of which is enclosed, was issued by the Office of Foreign Assets Control ("OFAC") to Hecny Transportation (USA), Inc. ("Hecny") for having engaged in prohibited transactions, detailed in the Notice. Inasmuch as no license or authorization was issued by OFAC prior to these transactions, Hecny violated the prohibitions set forth in Executive Order 13094 of July 28, 1998 (62 FR 59989, November 5, 1997 – "Executive Order") and the Weapons of Mass Destruction Trade Control Regulations, 31 CFR Part 539 (64 FR 8716, February 23, 1999) (the "Regulations"), promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.* ("IEEPA"). See §§ 539.201 and 539.202 of the Regulations.

At the time of the violation, Section 206 of IEEPA, 50 U.S.C. §1705, provided for a civil penalty not to exceed \$10,000 for each such violation.<sup>1</sup> The Notice proposed a penalty in the amount of \$2,800 and advised Hecny that it had a right to make a written presentation to OFAC, within thirty (30) days of the mailing of the Notice, setting forth reasons why the penalty should not be issued or, if issued, why the amount should be less than proposed.

Hecny did not provide a written response to the Notice.

After careful review of the entire file, it is determined that Hecny did violate IEEPA, the Regulations and the pertinent Executive Orders and a monetary penalty of \$2,800 is warranted.

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<sup>1</sup> Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, 104 Stat. 890, 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, § 31001(s)1, Apr. 26, 1996, 110 Stat. 1321-373--jointly, the "FCPIA"), requires each Federal agency with statutory authority to assess civil monetary penalties ("CMPs") to adjust CMPs for inflation according to a formula described in § 5 of the FCPIA. Accordingly, on October 23, 1996, OFAC published in the Federal Register the required amendment, effective October 21, 1996, to the Regulations adjusting its CMP to \$11,000. See 61 FR 54936 at 54939. On March 9, 2006, the President signed into law an amendment to IEEPA which raised the maximum civil penalty for violations and attempted violations of any license, order, or regulation issued under IEEPA from \$11,000 to \$50,000. See 71 FR 29251.

A check payable to the “**U.S. Treasury**” in the amount of **\$2,800** should be sent, within 30 days of the mailing of this Penalty Notice, to Office of Foreign Assets Control (Attention: Civil Penalties), U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. Interest, administrative charges, and late fees will commence to accrue after 30 days. Under Public Law 97-365, 31 U.S.C. § 3717, interest at an annual rate of 5% and an administrative charge of \$12.00 will be added if the amount is not paid by the due date. Should the amount not be paid within ninety (90) days, an additional late charge of 6% will be added.

Please note that § 560.706 of the Regulations provides that this matter may be referred either for Treasury Department administrative collective measures or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if such payment is not made.

**Please further note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a Taxpayer Identification/Social Security Number. OFAC intends to use such number for the purpose of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.**

Sincerely,

[signature]

Adam J. Szubin  
Director  
Office of Foreign Assets Control